

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1979 - SB 1707

March 24, 2011

SUMMARY OF BILL: Requires local boards of education to allocate funding to licensed residential treatment facilities where students have been admitted in an amount equal to the per pupil state and local funding received by the local education agency (LEA). This funding shall be in addition to all funding allocated pursuant to federal law and regulation. Requires the Department of Education to promulgate rules and regulations for the allocation of this funding.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures - \$59,500*

Assumptions:

- The full per pupil expenditure exclusive of federal funding is \$5,947 (\$3,889 state + \$2,058 local).
- The average stay in a treatment facility is one month (30 days) and LEAs are paid approximately \$595 dollars per month for each student (\$5,947 / 10 BEP payments).
- 100 students statewide will stay one month in a treatment facility annually.
- The total amount of BEP money that will be transferred is \$59,500 (\$595 x 100). LEAs will make up 100 percent of this transfer by increasing local expenditures to continue to fund on-going operational costs of the school system such as teacher salaries, maintenance, utilities, etc. The increase in local expenditures will be \$59,500.
- The number of students statewide will not be large enough for LEAs to reduce expenditures.
- The total amount of the transfer of BEP funds will be determined by the number of students per LEA who enter into residential treatment facilities and the length of stay per student.

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**Article II, Section 24 of the Tennessee Constitution provides that: No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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